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Financial Statement Audit Coverage Plan for Fiscal Years 2008/2009 through 2010/2011

November 2007

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of British Columbia

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Mr. Rob Fleming, MLA
Chair
Select Standing Committee on Public Accounts
Province of British Columbia
Parliament Buildings
Victoria, British Columbia
V8X 1X4

Dear Sir:

I am pleased to transmit to the Select Standing Committee on Public Accounts my Financial Statement Audit Coverage Plan for the appointment of auditors for government organizations and trust funds for fiscal years 2008/2009 through 2010/2011, as required by section 10(6) of the Auditor General Act.

John Doyle
Auditor General

Victoria, British Columbia
November 2007

Copy: Mr. Craig James
Clerk of Committees
Legislative Assembly of British Columbia

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Auditor General's Comments and Recommendations

The Auditor General Act (the Act) establishes the Auditor General as the auditor of the government reporting entity, which consists of all government organizations and trust funds included in the consolidated financial statements of government (the Summary Financial Statements). The Auditor General's annual audit of the Summary Financial Statements must be in accordance with generally accepted auditing standards (GAAS) as prescribed by the Canadian Institute of Chartered Accountants. This audit provides assurance to legislators and the citizens that the financial statements present fairly the financial position and results of operations of the province.

There are two distinct components to the Summary Financial Statements:

- *Core government operations, which is the Consolidated Revenue Fund.* Under the Act, the Auditor General is the auditor for all government ministries (currently 19) and funds or appropriations that are part of the Consolidated Revenue Fund. These organizations do not have separate financial statements, but their financial results are included in government's Summary Financial Statements.
- *The financial results for the 151 government organizations and trust funds that are in the government reporting entity.* Canadian generally accepted accounting principles (GAAP) establish criteria for determining whether organizations and trusts should be included in the government reporting entity. Section 10 of the Act establishes the auditor appointment process for these government organizations and trust funds that prepare their own annual financial statements which must be audited. All of the audited financial statements of these entities are consolidated into government's Summary Financial Statements.

This Financial Statement Audit Coverage Plan, covering the three fiscal years 2008/2009 through 2010/2011, has been prepared in accordance with the requirements of the Act and is presented to the Select Standing Committee on Public Accounts (referred to hereafter as the Public Accounts Committee) for its review and approval, as required by Section 10 of the Act.

Various sections of the Act give explicit direction on information to be included in the plan:

- Section 10(7)(d) requires the Auditor General to obtain Public Accounts Committee approval for an exemption from the prohibition against continuing as appointed auditor of a government organization or trust fund for a period of more than five consecutive fiscal years;

- Section 14 requires the prior consent of the Public Accounts Committee to accept or continue an appointment as auditor for organizations outside the government reporting entity; and
- Section 10(9) requires the Public Accounts Committee to approve the plan, including any amendments the committee makes before giving its approval.

This plan addresses all of these requirements under the Act.

The plan includes a slight increase in the level of audit coverage for certain sectors where, historically, coverage has been minimal. In my opinion, these changes will start to better align our audit coverage with developing international auditing standards for the audit of summary financial statements and with practice in other jurisdictions.

I assumed Office on October 29, 2007, just prior to the completion of this plan. As a result, my involvement with its development was somewhat limited. As my familiarity with the government reporting entity increases, I may wish to make further changes and, if so, they will be reflected in the Financial Statement Audit Coverage Plan that I table with the committee next year.

Recommendations

I recommend that the Select Standing Committee on Public Accounts:

1. approve the Financial Statement Audit Coverage Plan for the fiscal years 2008/2009 through 2010/2011, as shown in Appendix A (see page 13);
2. consent to the Auditor General continuing as the appointed auditor for 15 government organizations and trust funds, where the engagement term exceeds five consecutive fiscal years (see pages 7-9);
3. consent to the Auditor General being appointed auditor for two organizations outside the government reporting entity, WorkSafeBC and the Provincial Employees Community Services Fund (see page 11); and
4. endorse the Auditor General to continue to administer the auditor appointment process as described in this plan (see pages 11-12).

Plan Foundation and Preparation

The current Auditor General Act was brought into force in March 2003. One requirement introduced in the Act was that the Auditor General must present the Public Accounts Committee with an annual three-year coverage plan for financial statement audits.

The foundation of the plan is the requirement under Canadian generally accepted auditing standards (GAAS) that appointed auditors have sufficient knowledge and understanding of the operations of organizations making up the consolidated financial statements being audited. This understanding is a requirement in determining whether the information contained within the consolidated financial statements is complete and has been fairly presented.

This knowledge can be obtained by auditing directly the significant organizations and trust funds that make up the consolidated financial statements. It can also be obtained in part by relying on the work of other auditors who have been appointed auditors of the individual organizations and trust funds being consolidated. This reliance can vary, depending on the perceived risks of each entity, from involvement in the planning, conducting and reporting of the audits to communicating with the appointed auditors on the intended reliance on their work.

The province's Summary Financial Statements are a consolidation of the Consolidated Revenue Fund and 151 other government organizations and trust funds. As auditor of the Summary Financial Statements, the Auditor General must ensure that the audit plan is designed to obtain sufficient and appropriate coverage of organizations in the government reporting entity to meet professional requirements under GAAS.

Since it is not practical for the Auditor General to carry out directly the audits of all government organizations and trust funds included in the Summary Financial Statements, the plan has been developed to ensure that the Auditor General's direct audit coverage is broad enough to allow an appropriate involvement in issues facing significant government organizations and sectors. And, equally as important, it also allows the Auditor General to provide an overall government perspective on significant accounting issues in government organizations and across sectors through varying levels of involvement with the audits.

This plan represents the minimum audit coverage required to allow the Auditor General to sign the audit opinion on government's Summary Financial Statements and meet professional requirements under GAAS. New international auditing standards relating to the audit of "group financial statements" are expected to be in effect in Canada as early as the government's March 31, 2010, fiscal year-end. These emerging standards, along with practices observed in other jurisdictions, are considered when determining the appropriateness of current and future audit coverage.

Specific items to be included in the plan

The Auditor General Act specifies that the plan presented to the Public Accounts Committee for approval must:

- list all government organizations and trust funds that the Auditor General proposes to audit directly and those that will be audited by other auditors;
- discuss the criteria and selection process used for the appointment process of government organizations and trust funds;
- include information about the involvement of the Auditor General in the audit of government organizations and trust funds for which other auditors are appointed;
- report on consultations between the Auditor General and the organizations and trust funds impacted by the plan; and
- discuss the implications of the plan on the budget of the Office.

The Act also indicates that, unless otherwise approved by the Public Accounts Committee, the Auditor General must not be the auditor of a government organization or trust fund for a period of more than five consecutive fiscal years.

Furthermore, the Auditor General may be appointed the auditor of organizations or trust funds outside the government reporting entity, but only if prior consent is obtained beforehand from the Public Accounts Committee.

How we prepare the plan

In designing the coverage plan, we start by dividing the 151 entities in the government reporting entity into three distinct groups for assessment of audit coverage.

First, on an annual basis, we identify all known or planned new government organizations or trust funds. After assessing the significance and risks of these entities, the Auditor General determines if it is appropriate to audit any of them directly for the first three years (consistent with Section 10(4) of the Act).

Second, for homogeneous groups of government organizations (e.g., health authorities, school districts, colleges, and universities), the Auditor General needs to have direct audit involvement with at least one organization and oversight involvement with several others in each group. The plan rotates involvement through the organizations on a three to five year cycle. This allows the Auditor General to keep abreast of risk and issues in and across each of these groups.

And third, for heterogeneous groups of organizations (Crown corporations and trust funds), we determine what our level of involvement will be by using a risk-based assessment and according to whether the organization:

- delivers a core service;
- has a significant public policy role;
- has a high level of public interest;
- is significantly funded through appropriation or has significant financial impact on the Summary Financial Statements;
- has a high inherent risk to government (with respect to programs delivered or roles fulfilled);
- is a complex organization; or
- has likely future issues that could materially impact the Summary Financial Statements.

The plan can also be affected by other considerations such as the ongoing capacity development needs of the Office. Since the Office is a licensed practising organization for training students to become professional accountants, a significant responsibility includes ensuring that students receive sufficient and appropriate experience. The experience gained on Crown agency audits is essential to ensure that the Office meets its professional development needs. Retaining enough of these audits helps ensure we can continue as an accredited training office and create additional capacity of professional accountants for the Office.

The plan is based on three levels of audit involvement by the Auditor General:

- ***Low involvement:*** An auditor, other than the Auditor General, is appointed auditor of the organization or trust fund. The role of the Auditor General is limited to ensuring that minimum professional requirements are met (e.g., by communicating with appointed auditors on intended reliance, or reviewing the appointed auditor's files on a sample basis).
- ***Moderate (oversight) involvement:*** An auditor, other than the Auditor General, is appointed auditor of the organization or trust fund. By conducting extended procedures (e.g., attending audit committee meetings and reviewing the appointed auditor's audit plans and year-end audit files), the Auditor General is better able to understand the business of, and issues in, these significant organizations.

- ***High (direct) involvement:*** The Auditor General is the auditor for the organization. The audit is conducted either directly by staff of the Auditor General or through competitively bid contracts with private sector audit firms. In either case, the Auditor General is responsible for the audit and signs the audit opinion.

The Plan for 2008/2009 through 2010/2011

The proposed three-year Financial Statement Audit Coverage Plan for fiscal years 2008/2009 through 2010/2011 is summarized in the table below and presented in detail in Appendix A.

Entity Types	# of Entities 2008/2009	2008/2009 Level of Involvement			2009/2010 Level of Involvement			2010/2011 Level of Involvement		
		Limited	Oversight	OAG	Limited	Oversight	OAG	Limited	Oversight	OAG
Colleges	20	16	3	1	15	3	2	15	3	2
School Districts	60	55	3	2	55	3	2	53	3	4
Universities	6	3	2	1	3	2	1	3	2	1
Health Authorities	6	3	2	1	3	2	1	3	2	1
Hospital Societies	10	9	1	0	9	1	0	9	1	0
Regional Authorities	3	0	0	3	0	0	3	0	1	2
Trust Funds	5	5	0	0	5	0	0	5	0	0
Crown Corporations	39	17	8	14	18	6	15	18	6	15
Total	**149**	**108**	**19**	**22**	**108**	**17**	**24**	**106**	**18**	**25**

Appendix A shows the Auditor General's proposed audit coverage by level of involvement for each government organization and trust fund, by each year of the plan. It also includes, for comparison, the implemented coverage levels for each organization in 2006/2007 and 2007/2008.

This proposed plan is designed to meet the required audit coverage under Canadian generally accepted auditing standards (GAAS), in order to permit the Auditor General to sign the audit opinion on government's Summary Financial Statements.

The plan represents the proposed coverage at a point in time. Each year, we revisit our risk and coverage assessments and revise the plan where needed.

Appendix B presents a summary of all government organizations and trust funds where the current year coverage (fiscal 2007/2008) and proposed coverage for 2008/2009 through 2009/2010 differ from the last plan the Public Accounts Committee approved in November 2006. A brief explanation is also given for each difference.

Additional Reporting Requirements under the Act

Auditor General appointments exceeding five years

When the new Auditor General Act was being drafted over five years ago, the higher standards being considered for the accounting and auditing profession included requiring firms to be the auditors of organizations for only five years at a time. This was to help ensure that a strong independence relationship was maintained between the auditors and those they were auditing. Since then, however, the profession has instead adopted a regime of senior staff rotation on audit engagements, in addition to other safeguards for independence.

Emerging international standards relating to the audit of group financial statements will likely impact our future approach to rotation within the coverage plan. These standards will require continued involvement, either directly or in an oversight capacity, with any entity determined to be significant to the Summary Financial Statements. An entity is considered significant if it is likely to include significant risks of material misstatement to the Summary Financial Statements. These standards are consistent with our approach to audit coverage thus far, but they make it clear that involvement with certain entities must continue indefinitely.

Section 10(7)(d) of the Auditor General Act requires Public Accounts Committee approval for the Auditor General to be appointed as auditor of a government organization or trust fund for a period of more than five consecutive fiscal years. We are requesting Public Accounts Committee approval for the Auditor General to continue as the appointed auditor for 15 government organizations where our terms will exceed the five-year limit, and where we believe it makes sense to continue to be the appointed auditor. These organizations, and the rationale for extending our appointment in each case beyond five years, are listed in the following table.

Organization	Rationale for exceeding five years
Community Living British Columbia	Our continued involvement with this organization will enable us to maintain our knowledge of government's delivery of community living services and the related funding mechanisms.
BC Immigrant Investment Fund Ltd.	Maintaining direct involvement with this organization is important for us to do because of the increasing complexity of its operations.
B.C. Pavilion Corporation	Our continued involvement with the corporation will enable us to maintain our knowledge of facilities management leading up to the 2010 Olympic Games.
BC Transportation Financing Authority	This organization is responsible for the significant capital financing of government highway infrastructure projects through a ministry (Transportation) we already audit.
British Columbia Assessment Authority	Our involvement complements the accountability assurance work we do in this organization. The authority is also a December year-end, while government has a March year-end, allowing for better staff utilization. Our work here is also important for the development of audit students.
British Columbia Enterprise Corporation	This corporation is a non-active company managed by a ministry (Economic Development) we already audit.
British Columbia Securities Commission	Most private sector assurance firms are significantly involved in auditing financial statements of the entities that the Securities Commission regulates. We agree with the Commission that it would be difficult to find an audit firm that is sufficiently independent to conduct the organization's financial statement audit. Because our Office is independent by legislation, we believe it is appropriate for us to continue our relationship with the Commission.
British Columbia Transmission Corporation	Our continued involvement with the corporation will enable us to maintain our knowledge of the significant hydroelectric energy sector.

Organization	Rationale for exceeding five years
British Columbia Liquor Distribution Branch	This entity generates a large revenue stream and is an integral part of a ministry (Public Safety and Solicitor General) we already audit. Our work here is also important for the development of audit students.
Columbia Power Corporation	Our continued involvement with the corporation will enable us to maintain our knowledge of the significant hydroelectric energy sector.
Forestry Innovation Investment Ltd.	Our continued involvement with this organization will enable us to maintain our knowledge of government business development strategies and the related funding mechanisms.
Industry Training Authority	Our continued involvement with this organization will enable us to maintain our knowledge of government industry training strategies and the related funding mechanisms, including funding other entities within the government reporting entity—an important part of our audit of the summary consolidation.
Oil and Gas Commission	Our continued involvement with the commission will enable us to maintain our knowledge of the expanding energy exploration sector.
Tourism British Columbia	Our continued involvement with this organization will enable us to maintain our knowledge of tourism sector issues leading up to the 2010 Olympic Games. Our work here is also important for the development of audit students.
Vancouver Convention Centre Expansion Project Ltd.	Maintaining the same auditor for the remaining life of this major capital construction project is an efficient approach.

Summary of consultations

Section 10(7)(g) of the Auditor General Act requires a summary of consultations in respect of the plan.

Our annual consultation process starts with us discussing proposed changes with governing boards and senior management of organizations that will be impacted by changes to the plan from the previously approved version. This consultation occurs during drafting of the plan. The form of consultation varies, but may include: in-person discussions with senior management and board chairs or equivalent; attendance and discussion at Audit Committee meetings; and telephone conversations with Chairs of Audit Committees.

We have finished consulting with all organizations affected by changes to the current plan, and all parties understand the proposed audit coverage. After the plan has been reviewed and approved by the Public Accounts Committee, we will also communicate in writing with all organizations affected by the plan, informing them of the committee's final decisions.

Implications for the Office budget

Section 10(7)(c) of the Auditor General Act requires the plan to describe how what is being proposed will affect the budget of the Office.

Overall, in our assessment, the changes to audit coverage that we propose in the plan will have only a negligible impact on our budget for the 2008/2009 fiscal year if the current cost structure is maintained. This is because the changes are generally small and incremental.

That said, we do recognize that two matters—which we will discuss fully with the Select Standing Committee on Finance and Government Services—do have important implications for the Office's budget:

- **Fee-for-service recoveries** – We believe that our activities should be fully funded by the Legislature through our voted appropriation to confirm that the Legislative Assembly is our one and only client and that we are—and must remain—independent of government. We support the notion that audits should not be considered a free service; and we believe that the Ministry of Finance should consider invoicing those organizations we audit, for an amount that reflects the audit services provided.
- **Staff compensation levels** – Our current compensation framework for staff is hindering our ability to attract and retain qualified personnel. We believe that this situation, if not addressed immediately, will seriously impair our ability to meet our obligations, including those set out in this plan.

Request for approval to audit organizations outside the government reporting entity

Section 14 of the Auditor General Act allows the Auditor General, with the consent of the Public Accounts Committee, to be appointed auditor of a government organization or trust fund that is not part of the province's Summary Financial Statements.

We therefore include in this audit coverage plan a request for approval to continue to be the appointed auditor for the following two organizations that are outside the government reporting entity:

- **WorkSafeBC** – As a trust fund that is not controlled or managed by government, WorkSafeBC is not included in the Summary Financial Statements, yet it is still an entity of significance to all British Columbians.
- **Provincial Employees Community Services Fund** – This organization is a small charitable employee trust for provincial employees. The Office conducts an annual financial statement audit, free of charge, to help support the organization.

Administration of the auditor appointment process

Following approval of the audit coverage plan, we communicate the committee's decision in writing to the board of each government organization affected by the plan. Each governing board then appoints its financial statement auditor according to the approved coverage plan: either the Auditor General or a private sector auditor selected by the governing board.

When the approved audit coverage plan calls for a government organization to appoint an auditor from the private sector, we recommend the use of a competitive process that is consistent with sound public sector procurement practices to secure audit services that will meet the board's needs and provide good value-for-money. We also recommend selection criteria based largely on auditor capability, audit strategy, and price.

The Auditor General plans to continue assisting boards and audit committees in the selection and appointment of auditors by:

- making available a template for a Request for Proposal process, including a model Service Agreement for audit services;
- providing information about the availability of fee-for-service process support from the Purchasing Services group in the Ministry of Labour and Citizen's Services; and

- being available to provide advice on specific issues or to provide more active advisory participation in the selection and appointment process.

We also propose as part of this audit coverage plan that governing boards of government organizations include provisions for the appropriate involvement of the Auditor General in the service agreements with their financial statement auditors.

Appendix A: Detailed Financial Statement Audit Coverage Plan for Fiscal Years 2008/2009 through 2010/2011

PLAN LEGEND:

OAG: **High Involvement** – Audit performed by the Auditor General, using existing staff (OAG-Direct) or private sector audit firms under contract (OAG - Contract).

Oversight: **Moderate Involvement** – Auditors other than the Auditor General are appointed auditors; however the Auditor General conducts oversight procedures.

Blank cells: **Low Involvement** – Auditors other than the Auditor General are appointed auditors; only limited involvement by the Auditor General.

Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2006/2007	Fiscal 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010	Fiscal Year 2010/2011
Colleges					
British Columbia Institute of Technology	Oversight	Oversight	Oversight	Oversight	Oversight
Camosun College				Oversight	OAG-Direct
Capilano College		Oversight	Oversight		
College of New Caledonia					
College of the Rockies					
Douglas College			Oversight	OAG-Direct	OAG-Direct
Emily Carr Institute of Art and Design					
Institute of Indigenous Government					
Justice Institute of British Columbia					
Kwantlen University College					
Langara College	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	
Malaspina University College	Oversight	Oversight			
Nicola Valley Institute of Technology					
North Island College					
Northern Lights College					
Northwest Community College					
Okanagan College				Oversight	Oversight
Selkirk College					
University College of the Fraser Valley					Oversight
Vancouver Community College	Oversight				
School Districts					
School District No. 5 (Southeast Kootenay)					

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2006/2007	Fiscal 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010	Fiscal Year 2010/2011
School D istrict No. 6 (Rocky ountain)					
School D istrict No. 8 (Kootenay Lake)					
School D istrict No. 10 (Arrow akes)					
School D istrict No. 19 (Revelst ke)					
School D istrict No. 20 (Kooten y-Columbia)		Oversight	Oversight		
School D istrict No. 22 (Vernon)					
School D istrict No. 23 (Central Okanag n)					
School D istrict No. 27 (Cariboo-Chilcotin)					
School D istrict No. 28 (Quesne)					
School D istrict No. 33 (Chilliwa k)				Oversight	Oversight
School D istrict No. 34 (Abbotsf rd)					
School D istrict No. 35 (Langley)					Oversight
School D istrict No. 36 (Surrey)			Oversight	OAG-Direct	OAG-Direct
School D istrict No. 37 (Delta)					
School D istrict No. 38 (Richmo d)	OAG-Contract	OAG-Contract	OAG-Contract	OAG-Contract	OAG-Contract
School D istrict No. 39 (Vancou er)					
School D istrict No. 40 (New We stminster)					
School D istrict No. 41 (Burnaby)					
School D istrict No. 42 (Maple R idge-Pitt Meadows)					
School D istrict No. 43 (Coquitl am)					

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2006/2007	Fiscal 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010	Fiscal Year 2010/2011
School District No. 44 (North Vancouver)					
School District No. 45 (West Vancouver)					
School District No. 46 (Sunshine Coast)					
School District No. 47 (Powell River)					
School District No. 48 (Howe Sound)					
School District No. 49 (Central Coast)					
School District No. 50 (Haida Gwaii-Queen Charlotte)					
School District No. 51 (Boundary)					
School District No. 52 (Prince Rupert)		Oversight	Oversight		
School District No. 53 (Okanagan-Similkameen)					
School District No. 54 (Bulkley Valley)					
School District No. 57 (Prince George)					
School District No. 58 (Nicola-Similkameen)					
School District No. 59 (Peace River South)					
School District No. 60 (Peace River North)					
School District No. 61 (Greater Victoria)				Oversight	OAG-Direct
School District No. 62 (Sooke)					
School District No. 63 (Saanich)	Oversight	Oversight			
School District No. 64 (Gulf Islands)					

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2006/2007	Fiscal 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010	Fiscal Year 2010/2011
School District No. 67 (Okanagan-Skaha)					
School District No.68 (Nanaimo-Ladysmith)	OAG-Direct	OAG-Direct	OAG-Direct		
School District No. 69 (Qualicum)					
School District No. 70 (Alberni)					
School District No. 71 (Comox Valley)					
School District No. 72 (Campbell River)					Oversight
School District No. 73 (Kamloops-Thompson)					
School District No. 74 (Gold Trail)					
School District No. 75 (Mission)					
School District No. 78 (Fraser-Cascade)					
School District No. 79 (Cowichan Valley)					
School District No. 81 (Fort Nelson)					
School District No. 82 (Coast Mountains)					
School District No. 83 (North Okanagan-Shuswap)				Oversight	OAG-Direct
School District No. 84 (Vancouver Island West)					
School District No. 85 (Vancouver Island North)					
School District No. 87 (Stikine)					
School District No. 91 (Nechako Lakes)					
School District No. 92 (Nisga'a)					
School District No. 93 (Francophone Education Authority)					

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2006/2007	Fiscal 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010	Fiscal Year 2010/2011
Universities					
Royal Roads University					
Simon Fraser University	Oversight	OAG-Contract	OAG-Contract	OAG-Contract	OAG-Contract
Thompson Rivers University					
University of British Columbia	OAG-Contract	Oversight	Oversight	Oversight	Oversight
University of Northern British Columbia					
University of Victoria	Oversight	Oversight	Oversight	Oversight	Oversight
Health Authorities					
Fraser Health Authority	OAG-Contract				
Interior Health Authority	Oversight				
Northern Health Authority	Oversight				
Provincial Health Services Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Vancouver Coastal Health Authority	Oversight	Oversight	Oversight	Oversight	Oversight
Vancouver Island Health Authority	Oversight	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Hospital Societies					
Bella Coola General Hospital					
Louis Brier Home and Hospital					
Menno Hospital					
Mount St. Mary Hospital					
Nisga'a Valley Health Board					
Providence Health Care (includes Chara Health Care Society, Holy Family Hospital, St. Paul's Hospital)	Oversight	Oversight	Oversight	Oversight	Oversight
R.W. Large Memorial Hospital					
St. Joseph's General Hospital					
St. Michael's Centre					
Wrinch Memorial Hospital					

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Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2006/2007	Fiscal 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010	Fiscal Year 2010/2011
Children and Family Services Regional Authorities[1]					
Community Living British Columbia	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	Oversight
Fraser Region Interim Aboriginal Authority[2]		OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Vancouver Island Aboriginal Transition Authority[3]		OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Trust Funds					
BC Public Service Long Term Disability Plan					
BC Rail Ltd. Pension Plan					
Credit Union Deposit Insurance					
Members of the Legislative Assembly Superannuation Account					
Public Guardian & Trustee (Estates & Trusts)	OAG-Contract				
Crown Corporations					
552513 BC Ltd.[4]	OAG-Direct	OAG-Direct	N/A	N/A	N/A
BC Games Society					
BC Immigrant Investment Fund Ltd.	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
B.C. Pavilion Corporation	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
BC Transportation Financing Authority	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
BCIF Management Ltd.[4]			N/A	N/A	N/A

[1] It is expected that three additional authorities will be formed over the next few years to provide services to Aboriginal communities. The Auditor General anticipates having a direct audit involvement for at least the first three years from inception for each authority.

[2] Fraser Region Interim Aboriginal Authority - New Children and Family Services Regional Authority formed in 2007/2008.

[3] Vancouver Island Aboriginal Transition Authority - New Children and Family Services Regional Authority formed in 2007/2008.

[4] It is anticipated that government will wind up these Crown corporations during the 2007/08 fiscal year. They will continue to be included in the coverage plan until wind-up occurs.

PLAN LEGEND:

OAG: **High Involvement** - Audit performed by the Auditor General, using existing staff (OAG-Direct) or private sector audit firms under contract (OAG - Contract).

Oversight: **Moderate Involvement** - Auditors other than the Auditor General are appointed auditors; however the Auditor General conducts oversight procedures.

Blank cells: **Low Involvement** - Auditors other than the Auditor General are appointed auditors; only limited involvement by the Auditor General.

Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2006/2007	Fiscal 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010	Fiscal Year 2010/2011
British Columbia Arts Council					
British Columbia Assessment Authority	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
British Columbia Enterprise Corporation	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
British Columbia Housing Management Commission	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Hydro Power Authority	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Innovation Council					
British Columbia Lottery Corporation	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Railway Company	Oversight	Oversight	Oversight	Oversight	Oversight
British Columbia Securities Commission	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
British Columbia Transit	Oversight	Oversight	Oversight	OAG-Direct	OAG-Direct
British Columbia Transmission Corporation	OAG-Contact	OAG-Contract	OAG-Contract	OAG-Contact	OAG-Contract
British Columbia Liquor Distribution Branch	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Canadian Blood Services					
Columbia Basin Trust					
Columbia Power Corporation	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Creston Valley Wildlife Management Authority Trust Fund					
First Peoples' Heritage, Language & Culture Council					
Forestry Innovation Investment Ltd.	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Homeowner Protection Office					
Industry Training Authority	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Insurance Corporation of British Columbia	Oversight	Oversight	Oversight	Oversight	Oversight

PLAN LEGEND:

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Oversight: **Moderate Involvement** - Auditors other than the Auditor General are appointed auditors; however the Auditor General conducts oversight procedures.

Blank cells: **Low Involvement** - Auditors other than the Auditor General are appointed auditors; only limited involvement by the Auditor General.

Organization	HISTORICAL COVERAGE		PROPOSED 3-YEAR COVERAGE		
	Fiscal 2006/2007	Fiscal 2007/2008	Fiscal Year 2008/2009	Fiscal Year 2009/2010	Fiscal Year 2010/2011
Knowledge Network Corporation[5]					
Leading Edge Endowment Fund Society					
Legal Services Society					
Oil and Gas Commission	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Organized Crime Agency of British Columbia Society					
Nechako-Kitamaat Development Fund Society					
Partnerships British Columbia	Oversight	Oversight	Oversight		
Private Career Training Institutions Agency					
Provincial Capital Commission					
Provincial Rental Housing Corporation	Oversight	Oversight	Oversight	Oversight	Oversight
Rapid Transit Project 2000 Ltd.					
The Royal Britsh Columbia Museum Corporation					
Tourism British Columbia	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Vancouver Convention Centre Expansion Project Ltd.	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
Other Organizations – CRF Organizations with Stand-Alone Audited Financial Statements					
Pacific Technology Resources Society					
Public Guardian & Trustee (Ops)	OAG-Contract				
Other Organizations – Non-Government Reporting Entity Engagements					
Provincial Employees Community Services Fund	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct
WorksafeBC	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct	OAG-Direct

[5] Knowledge Network Corporation: The Open Learning Agency was continued as the Knowledge Network Corporation in 2007/2008.

Appendix B: Summary of Changes from the Prior Year Plan presented to the Public Accounts Committee in November 2006, for Fiscal Years 2007/2008 through 2009/2010

ORGANIZATION	CHANGES	RATIONALE
Douglas College	Prior year plan was for OAG audit involvement with the engagement of a contractor in 2009/2010. Current year plan is for direct audit involvement for 2009/2010 through 2010/2011.	Based on a revised assessment of required direct audit coverage in the college sector (i.e., increased direct involvement).
Community Living British Columbia	Prior plan was for oversight involvement for 2008/2009 through 2009/2010. Current year plan is for direct audit involvement for 2008/2009 through 2009/2010.	Based on a revised assessment of required audit coverage in the children and family services sector (i.e., maintain involvement).
Fraser Region Interim Aboriginal Authority	Organization was newly formed in 2007/2008 and therefore was not included in the prior year plan. Current year plan is for direct audit involvement for 2007/2008 through 2010/2011.	New entity
Vancouver Island Aboriginal Transition Authority	Organization was newly formed in 2007/2008 and therefore was not included in the prior year plan. Current year plan is for direct audit involvement for 2007/2008 through 2010/2011.	New entity
Public Guardian and Trustee (Trust Funds)	Prior year plan was for OAG audit involvement with the engagement of a contractor for 2007/2008 through 2009/2010. Current year plan is for only limited involvement for 2007/2008 through 2010/2011.	Based on a revised risk assessment for the organization (i.e., decreased involvement).
British Columbia Transit	Prior year plan was for oversight involvement for 2009/2010. Current year plan is for direct audit involvement for 2009/2010 through 2010/2011.	Based on revised risk assessment of required audit coverage for Crown corporations (i.e., increased involvement).

ORGANIZATION	CHANGES	RATIONALE
British Columbia Transmission Corporation	Prior year plan was for oversight involvement for 2008/2009 through 2009/2010. Current year plan is for OAG audit involvement with the engagement of a contractor for 2008/2009 through 2010/2011.	Based on revised risk assessment of required audit coverage for Crown corporations (i.e., maintain involvement).
Industry Training Authority	Prior year plan was for limited involvement for 2008/2009 through 2009/2010. Current year plan is for direct audit involvement for 2008/2009 through 2010/2011.	Based on revised risk assessment of required audit coverage for Crown corporations (i.e., maintain involvement).
Public Guardian and Trustee (Operations)	Prior year plan was for OAG audit involvement with the engagement of a contractor for 2007/2008 through 2009/2010. Current year plan is for only limited involvement for 2007/08 through 2010/11.	Based on revised risk assessment for the organization (i.e., decreased involvement).